

DOA Administrative Letter No. 01-06

To: Area Agency on Aging Directors

Subject: PHASE 2: Family Caregiver Support Program

Date: August 14, 2001

This letter is being issued to provide some additional guidance with the Family Caregiver Support Program as we move into the first full fiscal year with this program. During "phase one" we expected AAAs to concentrate their efforts on the development of the Caregiver Work Plan: 1) hiring a Resource Specialist; 2) identifying and communicating with appropriate community partners; 3) educating the community about the initiative and gathering input on priority needs; 4) inventorying resources and service gaps; and 5) developing a plan for the program. "Phase two" will be the first year of implementation of the AAA's Caregiver Work Plan and therefore this will involve greater expenditure of funds, contractual arrangements, record-keeping and reporting, and monitoring and evaluative activities.

BUDGETING

As referenced in Administrative Letter No. 01-4, Fund Code 8 has been established for the Family Caregiver Support Program in the Aging Resources Management System (ARMS). ARMS 2002 regional allocation amounts can be found on the Allocations Screen listed as "Family Caregiver Support."

Attached is a table of the regional allocations for FY'2001-2002. This table was provided to COG fiscal officers at their meeting on August 9, 2001.

When comparing this table with the one attached to Administrative Letter No. 01-1, you will note the absence of the designated funds for Planning and Administration (P&A). P&A funds are allowable under the FSCP, and we have allocated the full amount allowable under the Caregiver law. The only change is in how we have allocated these P&A funds to the AAAs. As of SFY 2001-2002, the P&A funds made available through the Caregiver Program have been added to the AAA's overall P&A funds rather than segregating them from other P&A funds. This eases administration and should provide the AAA with greater discretion in their use. AAAs may elect to use a portion of their P&A funds and/or AAA Support funds to support the FCSP.

As we indicated in Administrative Letter No. 01-4, the FCSP service funds are all **non-unit service funds**. Any Family Caregiver Support Program costs not funded with P&A or AAA Support funds should be budgeted in one of the five service categories as a Non-Unit Service Budget in ARMS. This includes AAA direct costs or subcontracts with local or other agencies.

As the AAA establishes a budget in ARMS for the FCSP, the AAA must provide estimates of the number of persons who are expected to be served in the field "Projected People." The U.S. Administration on Aging recently notified the Division that under the FCSP, each state is required to report the estimated number of persons who will receive services (this is further

explained below). Questions about budgeting and use of ARMS should be directed to Mark Hensley and Ann Cratt.

CONTRACTING

Where the AAA develops contracts for direct service with local agencies, regional agencies and others, the AAA Policies and Procedures Manual should be used as guidance for this process. **Section 800** provides the specifications for the contractual process and requirements. We recommend that you use a similar approach to contracting as has been employed in the past when contracting other non-HCCBG funds. Contracts should clearly define the value of a reimbursable cost or “unit” of service as negotiated with the provider. In addition, the contract should specify the required documentation necessary to collect client demographic information and information about the services provided.

When developing contracts, the AAA should clearly define what role each entity will assume in the agreement. In instances where funds are “granted” to an agency, the AAA creates a **partnership** with that agency which is the type of agreement most commonly employed in the aging network. The agency receiving granted funds is responsible for service authorization and decisions on funds utilization within the perimeters of the grant. AAAs also have the option of establishing a “buyer-seller” or **vendor** relationship with other agencies. This type of agreement simply means services are purchased as requested by the AAA. Payment for services would occur upon receipt of a reimbursable invoice from the provider. Questions about contracting can be directed to Phyllis Stewart or Mark Hensley

ARMS REPORTING AND REIMBURSEMENT

The following non-unit service codes for the FCSP have been established and are listed in ARMS as (*see: “Utilities” menu; “Tables”; and then “service codes”*) :

Service Code	Service Category	County Code
800	Information	Co Code or OMC
810	Assistance	Co Code or OMC
820	Counseling/sup/train	Co Code or OMC
830	Respite Care	Co Code or OMC
840	Supplemental Svcs	Co Code or OMC

The Code “OMC” (multi-county code) should be used to establish contracts and submit reimbursement records when the AAA is using Caregiver funds in the category to serve more than one county; otherwise, the AAA should identify the specific county.

Monthly, the AAA should submit non-unit reimbursement records for the total costs in each of the applicable five service categories under the FCSP. Reimbursement will follow the same process adhered to with other non-unit services where total costs for the month are reported to the AAA and payment is issued to providers by the AAA. Report series **ZGA370-12** will provide monthly expenditures, monthly reimbursement amounts, and year-to-date reimbursement totals for the FCSP.

Service information including client data, service totals, and other demographic information must be collected and will be reported on the Family Caregiver Support Data Entry Spreadsheet once the final version is distributed. AAAs will be asked to e-mail this report quarterly to Mark Hensley.

Questions about ARMS reporting and reimbursement can be directed to Ann Cratt and Mark Hensley.

OTHER ITEMS

AOA Request

As indicated above, recently the Division of Aging received from the U.S. Administration on Aging some additional Program Instructions for development of future State Plans under Title III of the Older Americans Act, which includes Title III-E (the Caregiver Program). Under these instructions, the Division is asked to develop objectives that describe how the State is implementing the five service categories into a multi-faceted program. Specifically, we will have to describe: (a) the categories of services that will be provided/expanded, (b) funding allocated to the service categories, and (c) the projected number of caregivers who will benefit from the services during the plan period. We are also expected to outline steps for integrating the FCSP into the State's existing comprehensive system of services for older individuals, including: (a) how an emphasis on serving 'caregivers' (in addition to 'care recipients') will be implemented; and (b) how the FCSP will be integrated into existing caregiver programs. We expect to use your AAA-FCSP work plans to provide this information to the Administration on Aging. The one specific item that we did not previously request is "the projected number of caregivers who will benefit from the services during the plan period" (which we will define as July 1, 2001- June 30, 2002). Even though it is also to be identified in ARMS when establishing contracts, please provide this information using the attached exhibit when you submit your FCSP work plan.

AAA Request for "Overmatch"

In response to a request from a AAA interested in creating an "overmatch" provision in its local administration of the Caregiver funds, the Division has researched the issue within the Older Americans Act and its own policies. We have also discussed the matter within our Department of Health and Human Services and with the U.S. Administration on Aging. We have determined that a State or AAA can establish a cost-share rate in excess of the minimum (the 25% cost-share for Title III-E). It is an administrative policy decision rather than one dictated by law. While it is a State decision, AOA recommended caution and specifically discouraged allowing a AAA to vary the cost-share rate among different providers within the PSA who are providing the same service. On the other hand, AOA consultants supported the importance of leveraging Title III-E funds and indicated that it may be justified to vary cost-share rates for different types of services (e.g., Information and Assistance as compared to Respite). In the case, where a AAA wanted to vary the cost-share rate among similar, but not the same services in the same service category (e.g., volunteer Respite vs. paid Respite), AOA consultants suggested this was possible as long as the AAA was very clear about the difference between the service approach (e.g., emphasizing "volunteer" Respite vs. "paid" Respite). They also suggested, for example, that a AAA might want to set a rate for all "volunteer" initiatives that would be different from ones using paid personnel to deliver.

With this guidance, the Division of Aging is offering the following policy statement that applies only to Title III-E (the Caregiver program).

While the North Carolina Division of Aging does not want to create a financial burden on local agencies, it does wish to promote local autonomy and flexibility for maximizing the effect of the federal funds for the Family Caregiver Support Program (FCSP). In keeping with the statutory intent of the FCSP to enable area agencies on aging, or entities that such area agencies on aging contract with, to provide multifaceted systems of support services, the Division of Aging will permit AAAs to institute a work plan on an annual basis that would allow variance in the non-federal share of the cost of the program within the AAA's planning and service area as long as the region's overall non-federal share is at least 25 percent of the FCSP and as long as the following conditions are met: *[note: the Division of Aging uses state funding to provides 5% of this required match]*

1. The AAA prepares a rationale and justification for the variance that: (a) identifies the non-federal matching rate for each of the FCSP services that is covered in its work plan; (b) explains the purpose of the variance and how it will assist in achieving program goals; (c) identifies counties affected by this variance; and (d) discusses the effect of this variance on the statutory goal of giving priority for services to older individuals with greatest social and economic need, (with particular attention to low-income older individuals) and to older individuals providing care and support to persons with mental retardation and related developmental disabilities.
2. The AAA secures the approval for this variance from its Regional Aging Advisory Council and the Council of Governments Board.
3. The AAA provides a mechanism for a potential contractee of services to appeal the use of the variance.
4. The AAA formally requests to the Director of the Division of Aging permission to use a variance in the non-federal matching rate for the FCSP, with information showing compliance with items 1-3.
5. The AAA tracks and reports to the Regional Aging Advisory Council, the COG Board, and the Division of Aging the results of using the variance at the end of the fiscal year. Continuation of the variance will require approval of all three parties.

Sincerely,

Karen E. Gottovi

Attachments

cc. Lynda McDaniel
Deborah Atkinson
John Mandeville
Deborah Burns, AOA